



## STATE OF WISCONSIN

Notice of **Material Information** #2002-20  
Dated August 20, 2002

This document provides information which may be material to financial evaluation of the State of Wisconsin, however neither the preparation nor submission of this document constitutes a Listed Event pursuant to the State's Master Agreement on Continuing Disclosure.

**Issuer:** State of Wisconsin

**CUSIP Numbers:** 977053, 977055 and 977056 Prefix (All)  
977087 Prefix (All)  
977092 Prefix (All)  
977109 Prefix (All)  
977123 Prefix (All)

**Material Information:** A budget reform bill for the 2001-03 biennium has been signed into law by Governor McCallum (2001 Wisconsin Act 109).

The tables on the following pages reflect all fiscal bills enacted into law through 2001 Wisconsin Act 109.

**Page 2 includes tables that summarize** the budget on a general-fund and all-funds basis for each fiscal year. **Pages 3 and 4** provide more detailed information on the **general-fund** and **all-funds budgets**.

The attached are in the same format as the tables and summaries included in (1) Part II of the State of Wisconsin's Continuing Disclosure Annual Report, dated December 19, 2001, and (2) recent offering documents prepared by the State, specifically Appendices that are entitled "Information About the State".

The undersigned represents that he is the Capital Finance Director, State of Wisconsin Capital Finance Office, which is the office of the State of Wisconsin responsible for providing Annual Reports and giving notice of Listed Material Events when notice is required by the State's Master Agreement on Continuing Disclosure.

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**General-Fund Basis  
(Amounts in Millions)**

	<b>Budget 2001-2002 2001 Act 109</b>	<b>Budget 2002-2003 2001 Act 109</b>
Beginning Balance	\$ 208	\$ 235
Tax Revenues	10,209	10,515
Tobacco Securitization Proceeds	681	0
Tobacco Settlement Payments	156	158
Nontax Revenues	243	257
Total Amount Available	<u>\$ 11,497</u>	<u>\$ 11,165</u>
Other Disbursements/Reserves	\$ 10,166	\$ 10,521
Shared Revenue Payments	1,096	509 <sup>(a)</sup>
Total Disbursements/Reserves	<u>\$ 11,262</u>	<u>\$ 11,030</u>
Estimated Gross Balance	\$ 235	\$ 135
Required Statutory Balance	138	134
Net Balance	<u>\$ 97</u>	<u>\$ 1</u>

**All-Funds Basis  
(Amounts in Millions)**

	<b>Budget 2001-2002 2001 Act 109</b>	<b>Budget 2002-2003 2001 Act 109</b>
Beginning Balance	\$ 208	\$ 235
Tax Revenues	10,209	10,515
Tobacco Securitization Proceeds	681	0
Tobacco Settlement Payments	156	158
Nontax Revenues	20,215	20,820
Total Amount Available	<u>\$ 31,469</u>	<u>\$ 31,728</u>
Other Disbursements/Reserves	\$ 30,138	\$ 31,084
Shared Revenue Payments	1,096	509 <sup>(a)</sup>
Total Disbursements/Reserves	<u>\$ 31,234</u>	<u>\$ 31,593</u>
Estimated Gross Balance	\$ 235	\$ 135
Required Statutory Balance	138	134
Net Balance	<u>\$ 97</u>	<u>\$ 1</u>

(a) Tobacco securitization proceeds in the amount of approximately \$598 million are used to fund a portion of the shared revenue payments to local governmental units. These payments are being made directly from the Permanent Endowment Fund and are not included as disbursements.

## State Budget-General Fund<sup>(a)</sup>

	Actual 2000-2001 <sup>(b)</sup>	Budget 2001-2002 2001 Act 109	Budget 2002-2003 2001 Act 109
<b>RECEIPTS</b>			
Fund Balance from Prior Year.....	\$ 835,714,000	\$ 207,508,000	\$ 235,056,200
<b>Tax Revenue</b>			
State Taxes Deposited to General Fund			
Individual Income.....	5,156,565,000	5,211,450,000	5,310,600,000
General Sales and Use.....	3,609,895,000	3,680,000,000	3,830,200,000
Corporate Franchise and Income.....	537,159,000	480,000,000	535,000,000
Public Utility.....	239,238,000	253,700,000	257,400,000
<b>Excise</b>			
Cigarette/Tobacco Products.....	254,867,000	310,400,000 <sup>(c)</sup>	320,100,000 <sup>(c)</sup>
Liquor and Wine.....	35,543,000	35,100,000	36,200,000
Malt Beverage.....	9,365,000	9,400,000	9,400,000
Inheritance, Estate & Gift.....	77,084,000	85,000,000	67,000,000
Insurance Company.....	89,042,000	87,000,000	90,000,000
Other.....	70,573,000	57,600,000	59,600,000
Subtotal.....	<u>10,079,331,000</u>	<u>10,209,650,000</u>	<u>10,515,500,000</u>
<b>Nontax Revenue</b>			
Departmental Revenue			
Tobacco Settlement.....	124,389,000	155,526,000	157,602,800
Tobacco Securitization.....	NA	681,000,000	NA
Other.....	226,993,000	243,803,700	257,177,100
Program Revenue-Federal.....	5,472,647,000	4,777,029,000	4,860,982,500
Program Revenue-Other.....	3,382,374,000	3,020,118,400	3,100,962,000
Subtotal.....	<u>9,206,403,000</u>	<u>8,877,477,100</u>	<u>8,376,724,400</u>
Total Available.....	<u>\$ 20,121,448,000</u>	<u>\$ 19,294,635,100</u>	<u>\$ 19,127,280,600</u>
<b>DISBURSEMENTS AND RESERVES</b>			
Commerce.....	\$ 221,297,000	227,466,600	229,610,200
Education.....	8,353,243,000	8,627,420,500	8,857,403,500
Environmental Resources.....	272,918,000	255,966,000	256,362,000
Human Relations and Resources.....	7,287,626,000	7,414,039,100	7,546,331,400
General Executive.....	651,970,000	636,302,000	640,955,900
Judicial.....	108,676,000	104,611,000	105,143,800
Legislative.....	62,220,000	64,189,400	60,590,500
General Appropriations.....	2,490,467,000	1,951,084,400	1,387,111,500 <sup>(d)</sup>
Subtotal.....	<u>19,448,417,000</u>	<u>19,281,079,000</u>	<u>19,083,508,800</u>
Less: (Lapses).....	NA	(252,921,200)	(186,675,700)
Compensation Reserves.....	NA	25,388,800	79,815,500
Required Statutory Balance.....	NA	- <sup>(e)</sup>	134,416,600
Transfer to Tobacco Control Board.....	NA	6,032,300	15,345,100
Changes in Continuing Balance.....	455,608,000	NA	NA
Total Disbursements & Reserves.....	<u>\$ 19,904,025,000</u>	<u>\$ 19,059,578,900</u>	<u>\$ 19,126,410,300</u>
Fund Balance.....	\$ 217,423,000	\$ 235,056,200	\$ 870,300
Undesignated Balance.....	\$ 207,508,000	\$ 235,056,200	\$ 135,286,900

(a) The amounts shown are based on statutorily required accounting and not on GAAP.

(b) The amounts shown are unaudited and rounded to the nearest thousand.

(c) The increase is the result of an \$0.18 per pack increase on cigarettes.

(d) Tobacco securitization proceeds in the amount of approximately \$598 million are used to fund a portion of the shared revenue payments to local governmental units. These payments are being made directly from the Permanent Endowment Fund and are not included as disbursements.

(e) A required balance for the 2001-2002 fiscal year was not specified.

**Sources: Legislative Fiscal Bureau and Wisconsin Department of Administration.**

## State Budget-All Funds<sup>(a)</sup>

	Actual 2000-2001 <sup>(b)</sup>	Budget 2001-2002 2001 Act 109	Budget 2002-2003 2001 Act 109
<b>RECEIPTS</b>			
Fund Balance from Prior Year.....	\$ 835,714,000	\$ 207,508,000	\$ 235,056,200
<b>Tax Revenue</b>			
Individual Income.....	5,156,565,000	5,211,450,000	5,310,600,000
General Sales and Use.....	3,609,895,000	3,680,000,000	3,830,200,000
Corporate Franchise and Income.....	537,159,000	480,000,000	535,000,000
Public Utility.....	239,238,000	253,700,000	257,400,000
<b>Excise</b>			
Cigarette/Tobacco Products.....	254,867,000	310,400,000 <sup>(c)</sup>	320,100,000 <sup>(c)</sup>
Liquor and Wine.....	35,543,000	35,100,000	36,200,000
Malt Beverage.....	9,365,000	9,400,000	9,400,000
Inheritance, Estate & Gift.....	77,084,000	85,000,000	67,000,000
Insurance Company.....	89,042,000	87,000,000	90,000,000
Other.....	1,089,472,000	57,600,000 <sup>(d)</sup>	59,600,000 <sup>(d)</sup>
Subtotal.....	11,098,230,000	10,209,650,000	10,515,500,000
<b>Nontax Revenue</b>			
<b>Departmental Revenue</b>			
Tobacco Settlement.....	124,389,000	155,526,000	157,602,800
Tobacco Securitization.....	NA	681,000,000	NA
Other.....	226,993,000	243,803,700	257,177,100
Total Federal Aids.....	5,499,440,000	5,493,709,000	5,606,106,100
Total Program Revenue.....	3,382,374,000	3,020,118,400	3,100,962,000
Total Segregated Funds.....	3,998,487,000	3,496,396,200	3,582,769,100
Bond Authority.....	1,012,419,000	500,000,000	383,000,000
Employee Benefit Contributions (e).....	(3,065,828,000)	7,461,324,917	7,889,603,973
Subtotal.....	11,178,274,000	21,051,878,217	20,977,221,073
Total Available.....	<u>\$ 23,112,218,000</u>	<u>\$ 31,469,036,217</u>	<u>\$ 31,727,777,273</u>
<b>DISBURSEMENTS AND RESERVES</b>			
Commerce.....	\$ 450,530,000	\$ 421,596,400	\$ 418,614,500
Education.....	8,673,626,000	8,696,353,000	8,930,245,000
Environmental Resources.....	2,805,522,000	2,683,416,100	2,757,712,700
Human Relations and Resources.....	8,597,677,000	7,817,267,000	8,076,729,800
General Executive.....	4,360,894,000	770,619,400	774,435,400
Judicial.....	109,019,000	105,320,100	105,852,900
Legislative.....	62,220,000	64,189,400	60,590,500
General Appropriations.....	3,108,270,000	2,935,393,800	2,287,220,700 <sup>(f)</sup>
General Obligation Bond Program.....	583,078,000	500,000,000	383,000,000
Employee Benefit Payments (e).....	2,655,528,000	3,377,515,809	3,830,081,149
Reserve for Employee Benefit Payments (e).....	NA	4,083,809,108	4,059,522,824
Subtotal.....	31,406,364,000	31,455,480,117	31,684,005,473
Less: (Lapses).....	NA	(252,921,200)	(186,675,700)
Compensation Reserves.....	NA	25,388,800	79,815,500
Required Statutory Balance.....	NA	-	134,416,600 <sup>(g)</sup>
Transfer to Tobacco Control Board.....	NA	6,032,300	15,345,100
Change in Continuing Balance.....	(8,511,569,000)	NA	NA
Total Disbursements & Reserves.....	<u>\$ 22,894,795,000</u>	<u>\$ 31,233,980,017</u>	<u>\$ 31,726,906,973</u>
Fund Balance.....	\$ 217,423,000	\$ 235,056,200	\$ 870,300
Undesignated Balance.....	\$ 207,508,000	\$ 235,056,200	\$ 135,286,900

(a) The amounts shown are based on statutorily required accounting and not on GAAP.

(b) The amounts shown are unaudited and rounded to the nearest thousand.

(c) The increase is the result of an \$0.18 per pack increase on cigarettes.

(d) The budgeted amounts do not include taxes collected for segregated funds. The largest such tax is the motor fuel tax. The State collected \$827 million of motor fuel taxes in the 2000-2001 fiscal year.

(e) State law separates the accounting of employee benefits from the budget. They are included for purposes of comparability to the figures presented in this table and Tables II-1 and II-2 in the 2001 Annual Report.

(f) Tobacco securitization proceeds in the amount of approximately \$598 million are used to fund a portion of the shared revenue payments to local governmental units. These payments are being made directly from the Permanent Endowment Fund and are not included as disbursements.

(g) A required balance for the 2001-2002 fiscal year was not specified.

Sources: Legislative Fiscal Bureau and Wisconsin Department of Administration.